

Regular Session, 2010

SENATE CONCURRENT RESOLUTION NO. 52

BY SENATOR PETERSON

INSURANCE DEPARTMENT. Directs the Department of Insurance to conduct study of the practices, procedures, and methods used by pharmacy benefit managers.

A CONCURRENT RESOLUTION

To direct the Department of Insurance to conduct a study of pharmacy benefit managers.

WHEREAS, a pharmacy benefit manager is a third party administrator of prescription drug programs whose primary responsibility is the processing and paying of prescription drug claims; and

WHEREAS, pharmacy benefit managers are also responsible for developing and maintaining the drug formulary, contracting with pharmacies, and negotiating discounts and rebates with drug manufacturers; and

WHEREAS, more than two hundred million Americans nationwide receive drug benefits administered by pharmacy benefit managers; and

WHEREAS, there is a need for an assessment of the practices, procedures and methods in which pharmacy benefit managers use prescription drug information to manage therapeutic drug interchange programs as well as other drug substitution recommendations; and

WHEREAS, the Department of Insurance possesses the resources to conduct a detailed study of the practices of pharmacy benefit managers including each of the following practices:

(a) Intervening in the delivery or transmission of a prescription from a prescribing

1 health care practitioner to a pharmacist for purposes of influencing the prescribing health
2 care practitioner's choice of therapy.

3 (b) Recommending that a prescribing health care practitioner change from the
4 originally prescribed medication to another medication, including generic substitutions and
5 therapeutic interchanges.

6 (c) Changing a drug or device prescribed by a health care practitioner without the
7 consent of the prescribing health care practitioner.

8 (d) Changing a patient cost-sharing obligation for the cost of a prescription drug or
9 device, including placing a drug or device on a higher formulary tier than the initial
10 contracted benefit level.

11 (e) Removing a drug or device from a group health benefit plan formulary without
12 providing proper notice to the enrollee.

13 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
14 direct the Department of Insurance to conduct a study of the practices, procedures and
15 methods used by pharmacy benefit managers and provide findings no later than January 31,
16 2011.

17 BE IT FURTHER RESOLVED that the department shall make a written report of
18 its findings to the Senate and House committees on insurance no later than March 15, 2011,
19 together with any specific proposals for legislation.

20 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
21 commissioner of insurance.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Cheryl Horne.

DIGEST

Peterson

SCR No.

Directs the Department of Insurance to conduct a study of the practices, procedures, and methods used by pharmacy benefit managers and provide findings no later than January 31, 2011 and report its findings to the Senate and House Committees on Insurance no later than March 15, 2011.

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill.

1. Changes the date by which the Department of Insurance must conduct the study from December 31, 2010 to January 31, 2011.
2. Changes the date by which the Department of Insurance must report its findings from January 15, 2011 to March 15, 2011.